



For Immediate Release

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***ENZI OUTLINES NEED TO EXPAND ACCESS  
TO HIGHER EDUCATION, REDUCE COSTS,  
HELP STUDENTS AVOID HEAVY DEBT***

**Washington, D.C.** - U.S. Senator Mike Enzi (R-WY), Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, today outlined the need for a broad Higher Education Act reauthorization bill to expand access to higher education, give American students the tools they need to complete college and acquire the knowledge and skills needed to be successful in the 21<sup>st</sup> century global economy.

“We must use this reauthorization process to promote innovation and new technologies that will keep costs down, encourage competitive financial aid, open doors to more information helpful to students and parents planning for college, and improve financial literacy across the board,” Enzi said at today’s HELP Committee hearing titled “Higher Education, Higher Cost and Higher Debt: Paying for College in the Future.”

“We need to promote better financial literacy among students and their parents, so that they will know what their financial obligations are, and can manage debt more effectively,” Enzi said. “Students should graduate with a degree in hand, not a ball and chain of debt holding them back.”

Enzi, who is the Senate’s only accountant, said Congress must also work to simplify the federal student aid system, which is so complicated and difficult to navigate that it impedes access to higher education. “It’s time to make filling out the Free Application for Federal Student Aid (FAFSA) less complicated than filling out our tax forms – and for an accountant to say that is really something,” he said.

“We must take a close look at the ‘hidden’ costs of college that are driving up the price,” Enzi said. “For instance, many students enter school without the knowledge and skills that they need and must take remedial coursework just to catch up, costing them extra semesters. Other students transfer from one school to another only to discover that their hard-earned, fully-paid credits will not count toward a degree at their new school. This costs students money and time, and adds to taxpayers’ costs, too. It also contributes to higher attrition rates, particularly for low-income students.”

Enzi said colleges must make better information available to students and parents regarding the costs and advantages of their institutions. "By finding innovative ways and utilizing new technologies to help students and parents comparison shop, we can help them make the best choices," Enzi said.

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**Statement of Michael B. Enzi, Ranking Member  
Senate Committee on Health, Education, Labor and Pensions**

**Hearing on Higher Education, Higher Cost and Higher Debt:  
Paying for College in the Future  
February 16, 2007**

Thank you Senator Kennedy for holding this hearing and continuing our work on the reauthorization of the Higher Education Act. We built an important record of hearings and roundtables on these issues in the 109<sup>th</sup> Congress. I hope when all is said and done, students will have the tools they need to complete higher education and help them acquire the knowledge and skills to become competitive in a 21<sup>st</sup> century economy.

The American system of higher education is renowned throughout the world. Our more than six thousand colleges and universities enroll over 14 million students and provide access to all types of academic and skill building programs. In Wyoming we only have a handful of the total - one four year university, and seven community colleges. Our grand total of ten accredited institutions of higher education in the state is the smallest of any state but Alaska.

However, we are no less concerned about a recent report from the Association of American Colleges and Universities that college graduates are less and less prepared to compete in the global economy. The American success story of higher education is at risk of losing the qualities that made it great – competition, innovation, and access for all. Higher education will continue to be the onramp to success in the global economy, and it is our responsibility to make sure that our young adults are able to access that opportunity and reach their goals.

The federal government has a role to play in increasing affordability, which is why I support increasing the maximum Pell Grant award, and why this committee is working on a broad higher education reauthorization bill that will promote innovation and new technologies to keep costs down, expand availability of information to help students and parents make more informed decisions, and improve financial literacy across the board so that students have a better understanding of how they can manage their loans and monthly payments. Schools and colleges also have a role to play. They can and must do

more to increase accountability and seek efficiencies that bring down the cost of education.

Also, we need to explore further innovative solutions to the complexity of the federal student aid system. Right now filling out the Free Application for Federal Student Aid (FAFSA) prevents many students from even considering college. That was never our intent and it is time to make the FAFSA less complicated than filling out our tax forms – and for an accountant to say that, is really something. One interesting solution I’ve heard, and I hope to hear other suggestions today, is the possibility of rolling the financial aid process into the existing tax system. We need to explore this and other approaches to making sure that we improve the FAFSA to help students get timely and useful information about what resources they have available to pursue higher education.

Concern for spiraling costs of college is not new. I plan to submit for the record several articles by Dr. Richard Vedder that provide us insight into the perfect storm that is confronting our institutions of higher education: declining state support, stagnant productivity, and students that are left without the tools they need to make informed choices about their college education.

Over the last 20 years tuition has grown at rates double the increases in family income. At the same time productivity at our universities is declining, while more students find themselves having to take remedial classes in order to succeed in college-level coursework. Reauthorization of the Higher Education Act is needed to address these challenges and improve transparency in ways that will combat these hidden costs of college.

Institutions must better communicate the difference between the “sticker price” and “net price” of a college education. And there are many students that transfer from one school to another only to discover their hard-earned, fully-paid credits will not count toward their degrees. Other students enter college without the knowledge and skills they need requiring them to take remedial coursework just to catch up. This costs students money and time, and adds to taxpayers’ costs, too. The result is that students graduate with greater debt. It also contributes to higher attrition rates, particularly for low-income students, who find themselves no better off economically, but likely to be facing monthly student loan payments.

I also want to highlight an issue that I have been championing and see as a critical factor in this discussion – student financial literacy. We must improve the financial literacy of students so they can weigh the costs and benefits of their college education options. And we can no longer assume that only 18-22 year olds are the students being served by these programs. We are seeing more working adults, people with college degrees and mid-career Americans pursuing additional education in order to acquire the increasing knowledge and skills they need to be successful. The choice of whether to pursue a postsecondary education is confronting millions of Americans, and they need good tools with which to make those decisions.

I have been a strong advocate for financial literacy because I believe that we must give individuals the tools to understand and shape their future. Senator Sarbanes and I were

the authors of the legislation establishing the Financial Literacy and Education Commission to develop a national strategy on financial literacy. I should note that next week the Departments of Treasury and Education will be holding the “Summit on K-Postsecondary Education – Overcoming Challenges” to help develop the national strategy. In addition the Summit will highlight the challenges to teaching young people about money and saving for college and the rest of their lives.

I look forward to hearing from today’s witnesses as we tackle these issues in the reauthorization of the Higher Education Act.

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